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NEWS: WORLD TRADE

EU postpones Cuba law action for week

By Emma Tucker in Brussels

The European Union yesterday agreed not to press ahead with a formal complaint in the World Trade Organisation against the US Helms-Burton anti-Cuba law, but has yet to approve a deal aimed at resolving the bitter EU-US dispute.

The decision to delay the WTO action by one week was taken after Sir Leon Brittan, the EU trade commissioner, presented ambassadors with a draft text of the deal, mapped out by the European Commission and Washington late last week.

Member states hope to reach agreement on the text tomorrow. It involves undertakings by US President Bill Clinton to seek to limit the application of Helms-Burton, which penalises foreign companies "trafficking" in Cuban assets confiscated by the Castro regime.

In return the EU would suspend the WTO disputes panel hearing its complaint against Helms-Burton but would retain the right to reopen its complaint if ever

the US broke its side of the bargain or used the legislation against European companies.

Sir Leon said yesterday that the EU remained "absolutely resolute" in its opposition to Helms-Burton, but stressed that European rights were fully protected by the understanding.

"We don't think it is acceptable for one country to seek to obtain foreign policy objectives by imposing or threatening to impose sanctions on what other countries are doing in third countries," said Sir Leon. "Nonetheless, the council was willing to seek an overall bilateral settlement to halt the panel."

At the morning ambassadorial meeting, a number of countries, including France, Spain, Italy and Belgium, objected to the text, arguing that it did not offer sufficient guarantees for European companies.

The compromise package depends crucially on Mr Clinton securing authority from Congress to waive a provision in the law which requires the US to deny visas to executives of foreign

companies "trafficking" in Cuban assets. However, his room for manoeuvre is limited.

No EU member state flatly opposed the text. "The overwhelming tide of opinion was to get this issue settled," said a Commission official.

Reservations are likely to be met by issuing, alongside the agreed deal, some sort of declaration restating the EU's opposition to Helms-Burton in principle.

"This was as good as could be got given the US situation," said one EU diplomat. "But that doesn't mean that we are happy or that we no longer think that Helms-Burton is a problem."

The text also agrees to seek to shelter European companies from the provisions of the D'Amato law which penalises foreign investors in the oil industries of Iran and Libya.

Both the EU and the US are eager to avoid a confrontation in the WTO. Such a serious rift would threaten to undermine the authority of the newly established organisation which oversees the multilateral trading system.

Rome conference to consider setting up specialist network Music piracy crackdown planned

By Alice Rawsthorn

Music industry executives meet in Rome this week to discuss the feasibility of investing in an international network of specialist units devoted to cracking down on music piracy.

Mr Rudi Gassner, president of the international music interests of Bertelsmann, the German entertainment group, said piracy had worsened considerably over the past year, necessitating greater efforts by the music industry to curb it.

"Piracy is theft," he said. "These people aren't just stealing from record companies, but from artists, who don't see a penny of royalties."

For years record companies have made piracy a central theme of their political lobbying of national governments and international institutions.

On a practical level the International Federation of the Phonographic Industry, the trade association, has established anti-piracy units in problematic countries such as China and Bulgaria, both of which are among the largest manufacturing centres



Pirate versions of No Doubt's 'Tragic Kingdom' CD would fill industry with gloom

of illegal compact discs and cassettes.

Mr Gassner favours record companies providing greater investment to enable the IFPI to expand existing anti-piracy operations, and to open new ones. It could thus build up a global network to detect music pirates and liaise with local officials to take action.

The anti-piracy initiative is on the agenda of the three-day conference in Rome, which started yesterday when record executives and pop stars gathered on the Terrazzo del Fincio to watch 150,000 pirate cassettes being destroyed by a bulldozer in a public anti-piracy protest.

Piracy has long been acknowledged as one of the principal difficulties facing the global music industry. The problem has recently intensified, mainly because of the availability of relatively cheap compact disc production equipment.

Previously, music pirates had tended to concentrate on cassettes, which was less worrying for record companies as they are a declining

medium and less profitable than CDs. The prospect of the global market being flooded with illegal CD versions of hit albums such as No Doubt's *Tragic Kingdom* or U2's *Pop* has far graver implications for the music industry.

Initially the new breed of CD pirates focused their efforts on immature music markets, where counterfeit music sales were already high.

Pirate manufacturers in China tended to sell to other Asian countries, while the output from Bulgaria's counterfeit factories was shipped to Russia.

These CDs are now increasingly distributed in the mature music markets of North America and western Europe, where piracy had seemed to be under control.

Some 208,797 illegal compact discs were seized in the US in 1996, compared with 25,552 the previous year, according to the Recording Industry Association of America.

Similarly the number of bootleg CDs, primarily unauthorised recordings of concerts, escalated from 84,955 in 1995 to 1.26m last year.

Helms-Burton deal fails to impress Cuba

Cuba is unimpressed by the deal struck between the US and the European Union to defuse a trade row over the US Helms-Burton law, Pascal Fletcher reports from Havana.

Mr Ricardo Cabrisas, the Cuban foreign trade minister, said the extraterritorial challenge to the sovereignty of Cuba and other nations posed by the US law would not be solved by any partial agreement between the US and Europe.

"For Cuba, no understanding of this kind has any great value," he said. But he stressed his government had received no official notification of the understanding reached on Friday between the EU and Washington.

Mr Cabrisas made clear Cuba would continue to fight for the lifting of not just the Helms-Burton law, introduced last year, but of the entire 35-year-old US economic embargo against the island. He accused Washington of waging "economic war" against Cuba, and said his country was resisting "with relative success".

Singapore Airlines, Ansett in talks Duty on Norway salmon under fire

By James Kyngie in Singapore

Singapore Airlines yesterday confirmed it had held talks with Ansett, an Australian airline, and its major shareholder, Air New Zealand, on the possibility of a new commercial relationship.

Mr Karjit Singh, spokesman for the Singapore carrier, said his company regularly undertook such talks with other airlines and declined to comment further. But airline industry executives said the talks with Ansett and Air New Zealand were proceeding well and it appeared likely that a new commercial agreement would be forged.

It is understood the talks are directed at formulating joint pricing strategies between the airlines and code sharing on routes between Australasia and Europe, via Singapore. Code sharing is an arrangement whereby one airline is given dispensation to sell seats on another.

The three companies are not, however, considering an equity tie-up, as some reports have suggested in the past, the executives said. Part of the impetus for talks on the new commercial pact has been a perceived need by airlines to form alliances and shore up market share as an increasing number of Asian countries sign open skies agreements with the US.

The open skies agreements are expected to usher in an era of intensified competition because they allow airlines to fly as often as they wish between destinations in signatory countries.

Australia and New Zealand have not yet agreed to join the open skies agreement, but are believed likely to do so.

For Singapore, which signed an open skies pact this month, there is an added incentive to a possible commercial agreement with the two airlines.

Malaysia is due to open its international airport in January next year, expanding greatly the number of landing slots and flight frequencies for Malaysian Airlines, which is Singapore Airlines' biggest competitor. Both airlines operate the Australasia-Europe route and regard it as important.

By Caroline Southey in Luxembourg

Sweden yesterday attacked the European Commission over plans to impose a 13.7 per cent duty on imports of Norwegian salmon. It said the case had been mismanaged because of hasty decisions made on the basis of questionable statistics.

Sir Leon Brittan, European commissioner for trade affairs, is expected to announce shortly that the EU will press ahead with the proposed duty. Sir Leon has the power to impose provisional duties for six months after consulting the EU's committee on anti-dumping, which is made up of representatives from member states.

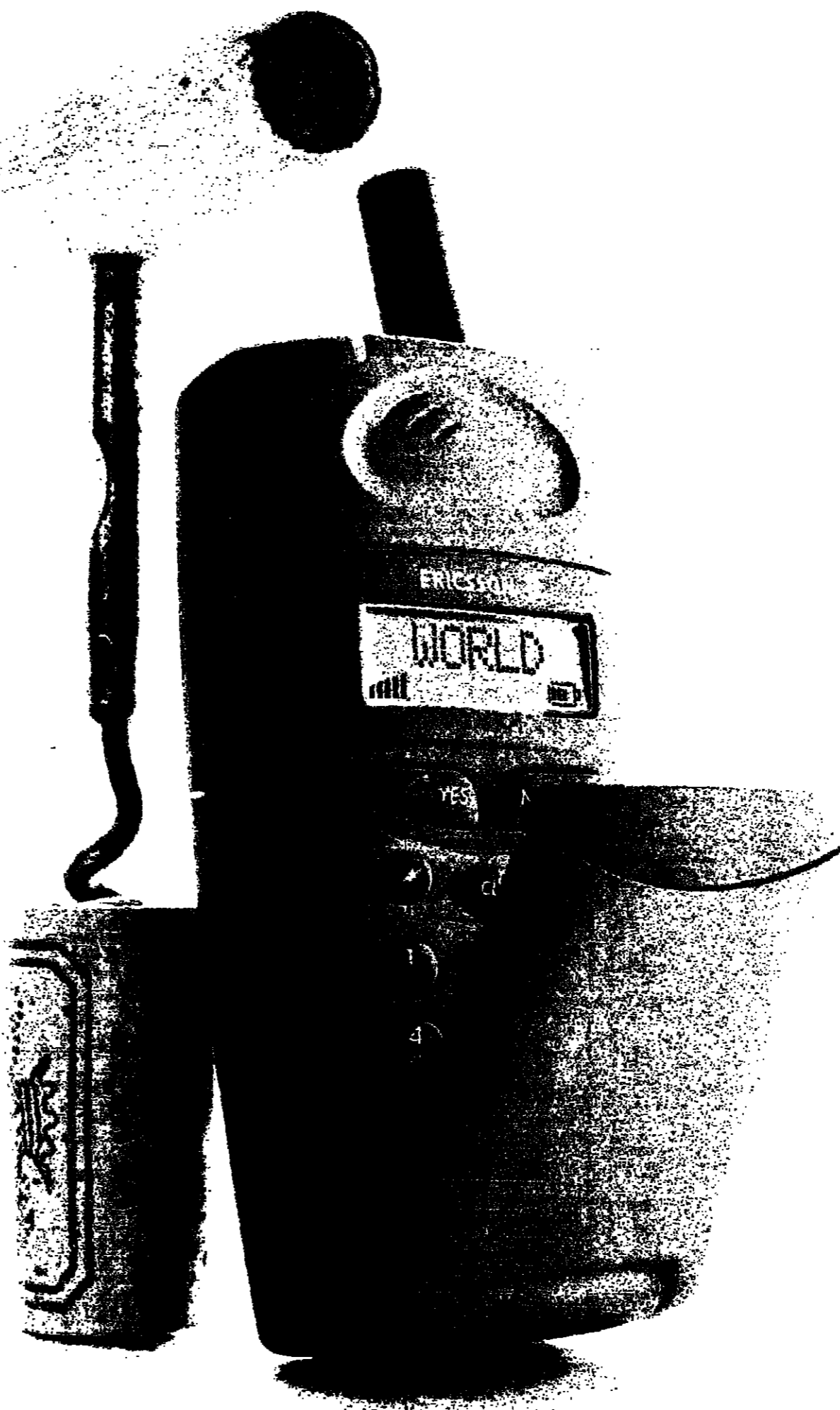
An EU official said Sir Leon was not expecting unanimous backing from the committee, but would impose a provisional duty if six or more countries backed the proposal. The official said a number of countries supported Sweden's opposition to the duty including Germany, Denmark and the Netherlands.

Commission experts recommended the duty last month after concluding that Norwegian producers had been selling salmon in the EU at less than the cost of production, and that they had been paid unfair state subsidies which had depressed prices and hit Scottish salmon profits.

The Swedish government argues forcefully against the duty in a letter to Sir Leon, because it is not convinced Norwegian exporters have hurt Community producers. Sweden accuses the Commission of setting "very tight deadlines" which has made it difficult "to ensure a proper treatment of the case".

The letter contends that the Commission is acting against the spirit of the European Economic Area (EEA) which groups the 15-member states in a free trade area with Norway, Iceland and Liechtenstein. "The EEA does not contain any formal obstacle to anti-dumping and countervailing action against salmon imports, but the spirit in our view calls on the union to try to solve trade issues through a dialogue, and avoid unilateral measures." Feature, Page 14.

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ERICSSON

NEWS: UK

GEC Alsthom's first order since privatisation of network confirms new momentum in sector

Anglo-French group wins \$162m rail deal

By Charles Batchelor, Transport Correspondent

GEC Alsthom, the Anglo-French transport equipment group, yesterday announced a £100m (\$162m) contract to supply and maintain eight eight-car trains for the Gatwick Express service. It is the manufacturer's first UK train order since the privatisation of British Rail.

The trains will cover the 40km between Victoria Station in London and Gatwick airport, the second-busiest airport in Britain.

This is the third rolling stock order to be placed since privatisation of the national rail network and

confirms the growing momentum of new train orders following a gap of nearly three years during which the network was sold.

The newly privatised train operators have promised the government's franchising director that they will order a total of £1bn to £1.5bn worth of new trains.

"The supply industry is beginning to show signs of health again," said Mr David Gillan, director of the Railway Industry Association, which represents manufacturers. "But to put it into context, the new companies are not ordering as much as BR [British Rail, the former state network] used to do

and we are not yet back to a level to maintain the rail fleet."

The latest contract, for which a letter of intent has been signed, follows a £200m order for 44 new trains for the London, Tilbury & Southend line, which runs trains to the east of the capital, and a £34m order for four trains for Chiltern Railways, which operates to the north-west. Both the earlier contracts were won by Adtranz (ABB Daimler-Benz), the Swedish-German rail group.

Gatwick Express is owned under a 15-year franchise by the National Express coach, bus, airports and rail group.



Highly visible: the trains will advertise themselves to potential customers arriving by air

GEC Alsthom won its order against fierce competition from more than 20 international train suppliers, but has committed itself to a tight delivery schedule and tough performance targets during the 12 years of the maintenance contract. The company fell behind deadlines on three recent contracts, two involving new trains for the state-owned

London Underground.

The new Gatwick trains will be capable of speeds of up to 160kph, allowing journey times to be cut by 5 minutes to 25 minutes and, in the longer term, possibly to 20 minutes.

This order represents the first success for GEC Alsthom's Juniper project, which involves a modular design of train which can be

easily modified to meet the requirements of different operators.

"In the past, BR gave tight specifications for new trains and the manufacturer had little or no room to make changes," said Mr Peter Murray, managing director of GEC Alsthom Metro-Cammell. "But now the train operator sets performance targets for us to meet."

Lottery operator fails to block rival

By Robert Rice, Legal Correspondent

Camelot, the consortium which operates the National Lottery, yesterday failed in a second attempt in the High Court in London to halt 49's, a rival lottery game run by Britain's three largest betting groups. The members of Camelot are Cadbury Schweppes, the UK food processing company; De La Rue, the banknote and security printer; ICL, the UK computer offshoot of Fujitsu; Racal, the electronics and communications group; and GTEch, the US lottery equipment manufacturer.

The court said an application for judicial review of a decision by the Director of Public Prosecutions not to prosecute the rival game was not the proper route for Camelot to try to establish that 49's was an "unlaw-

Court rejects case against game run by betting shops

ful lottery". The judge said he had reached the conclusion that the "only proper remedy" was for Camelot to bring a private prosecution. In February, another judge refused the company permission to challenge the DPP's decision on the same grounds.

The court refused Camelot leave to appeal to the House of Lords, the unelected upper House of Parliament, which acts as a high court of appeal.

Camelot said it was considering its options, including the possibility of a private prosecution. "We are natu-

rally disappointed by the court's decision because it leaves unresolved the issue of the illegality of 49's," the company said.

Camelot claimed that 49's, which was launched at the end of last year by Ladbrokes, William Hill and Coral to try to recoup some of the business lost to the National Lottery since its launch 2½ years ago, was an illegal lottery.

In December it asked the DPP to intervene to stop the game's launch, claiming it would result in the loss of hundreds of millions of pounds to the National Lottery, hitting the "good causes" it supports. Camelot pays 28 per cent of its revenues to good causes, such as sport and the arts.

The DPP decided, however, that the game, which has a turnover of about £3m a week, amounted to

fixed-odds betting and was therefore legal even though it relied on the outcome of a chance event.

Camelot's case was not helped by a delay in taking action. Although the 49's game was launched only recently, a similar game, Lucky Choice, in which bookmakers take bets on the balls in the Irish Lottery, had been running unchallenged in the UK for more than a year.

The 49's game, run through betting shops, allows punters to pick five numbers from 49 for a top prize of £100,000 (\$162,000). If they choose three correct numbers, they win £511 for a £1 bet as opposed to £10 on the National Lottery. The winners are chosen after the last race of the day and broadcast in betting shops.

Mr John Morgan, chairman of 49's, hoped Camelot would now "desist from pursuing this matter further".

Report says more people live to 100

By Nicholas Timmins, Public Policy Editor

There has been a "spectacular" increase in the number of people living to be older than 100 in the UK, a study on the health of adult Britons said yesterday.

The report, from the Office for National Statistics, reviews adult health for the past 150 years, noting that in each generation from 1841, people have lived longer. Since 1980, the number of centenarians has increased at the rate of 7 per cent a year - faster than for most other age groups.

While their total numbers are small - 4,400 in 1991 - they are set to rise to 45,000 by 2031 assuming death rates will continue to improve, but at a slower rate.

Mr Roger Thatcher, a former registrar general and co-author of the report, said there was a view "that medical advances are imminent which will offer the prospect of new cures for many forms of cancer, the postponement of death from heart disease and other major changes". Combined with improved lifestyles that could lead to "substantially lower death rates at high ages than those observed at present".

However, economic pressures may make it difficult to pay for healthcare for ever-increasing numbers of elderly, while world population growth combined with a deteriorating environment may increase mortality rates.

Death rates are falling, even for the very elderly, "and there are no medical or biological reasons to expect this trend to be halted in the immediate future". That has raised the suggestion that "there may be no limits to human longevity".

The oldest recorded age in England and Wales is 115, and in France 121. But it is reasonable to expect higher ages, the study says.

UK NEWS DIGEST

Strong pound stifles inflation

Sterling's strength is helping the government towards its inflation target, with figures released yesterday suggesting that price pressures in the UK economy remain subdued. Manufacturers are benefiting from cheaper imports and falls in the cost of oil and electricity. The prices of imported computers, rubber, metals and paper have fallen by between 5 per cent and 15 per cent in the year to March, official figures said yesterday. Most imported foods also fell in price. Today's monthly British Retail Consortium survey, meanwhile, indicates that price increases are being held down in the retail sector.

Analysts said yesterday's figures were a good indication that price inflation remained under control. The latest retail prices index, to be published on Thursday, is expected to show underlying inflation in March dipping below February's rate of 2.9 per cent. Last month, manufacturers' input prices fell by a seasonally-adjusted 0.5 per cent, compared with forecasts of a 0.2 per cent to 0.3 per cent rise. Input prices, including oil and electricity, have been falling for five consecutive months. In the last 12 months they have fallen by 7.6 per cent, the sharpest decline since December 1988.

Factory gate prices also fell in March, by 0.1 per cent. Manufacturing output prices increased by 1.0 per cent in the year to March.

Richard Adams

TRANSPORT

Spending on travel higher

People spend 15 per cent of their household spending on transport, twice the amount in the early 1950s, a report from the environmental group Transport 2000 said yesterday. The report, compiled by the Open University and the Local Transport Today publication, found that the amount of time a person spent travelling each week had risen from less than six hours in 1975 to almost seven in 1994. In 1975-76, it said, the proportion of work trips by car was 39 per cent in London and 54 per cent in small urban areas. By the mid 1990s that had increased to 49 per cent for Londoners and 73 per cent for those in small urban areas.

TRUCK SALES

Industry still subdued in March

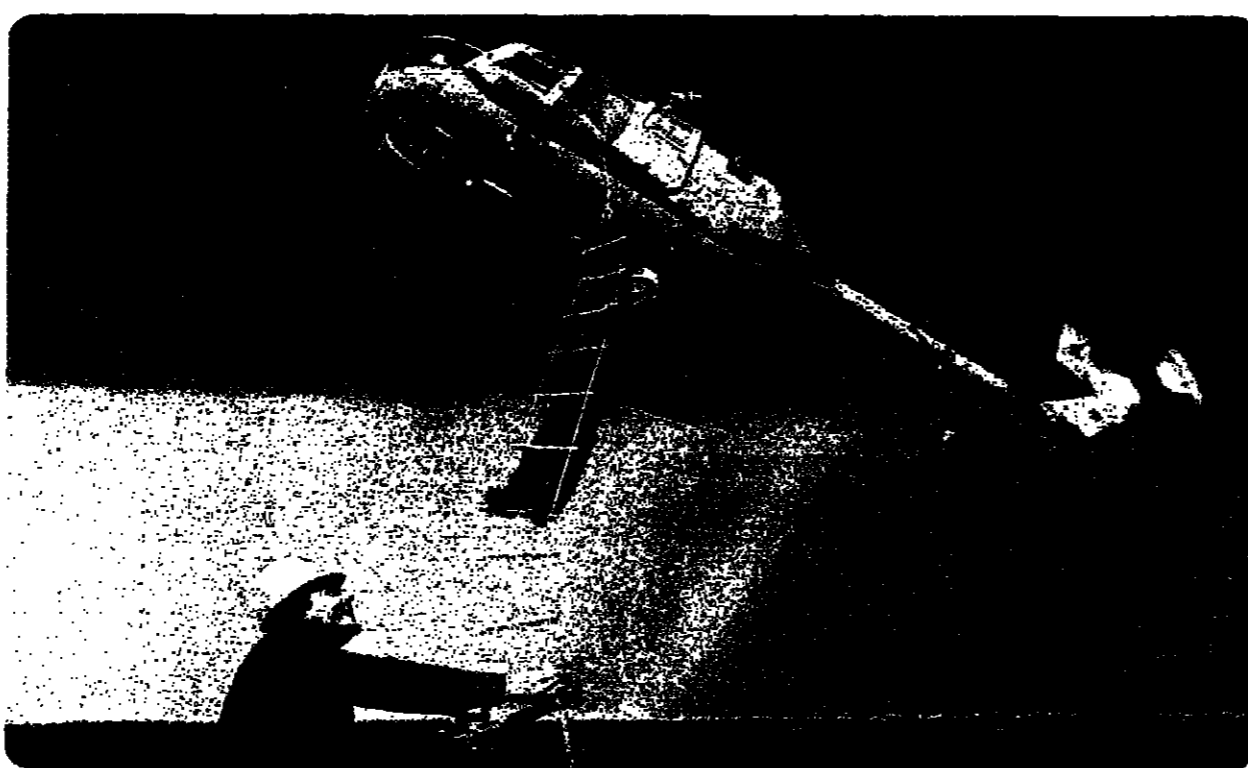
The UK truck market was subdued in March, leaving registrations for the first quarter of the year as a whole 24.8 per cent down, at 9,643, compared with 12,823 in the first quarter of 1996. Manufacturers expressed growing concern at the slowness of the truck market to recover from a winter sales decline caused by the introduction of stricter exhaust emissions standards in October.

But motor industry analyst Professor Garel Rhys, holder of the Society of Motor Manufacturers and Traders chair of motor industry economics at Cardiff University, said at the weekend that the downturn was likely to prove a short-term "aberration". He said: "Underlying economic indicators all point towards growth next year, so the trend line for the truck market is still positive."

Iveco-Ford, which is soon to close its only UK production facility, saw its registrations particularly badly hit last month, falling by more than one third from 1,458 a year earlier. The heavy truck sector, for vehicles of more than 15 tonnes, was 25 per cent down in March - with Iveco-Ford and Mercedes-Benz recording falls of more than 40 per cent.

John Griffiths

Convoy Breaks Formation, Page 15



DEAN BURGESS FROM ARAMARK WITH OWEN CHAPPELL OF BRITISH PETROLEUM.

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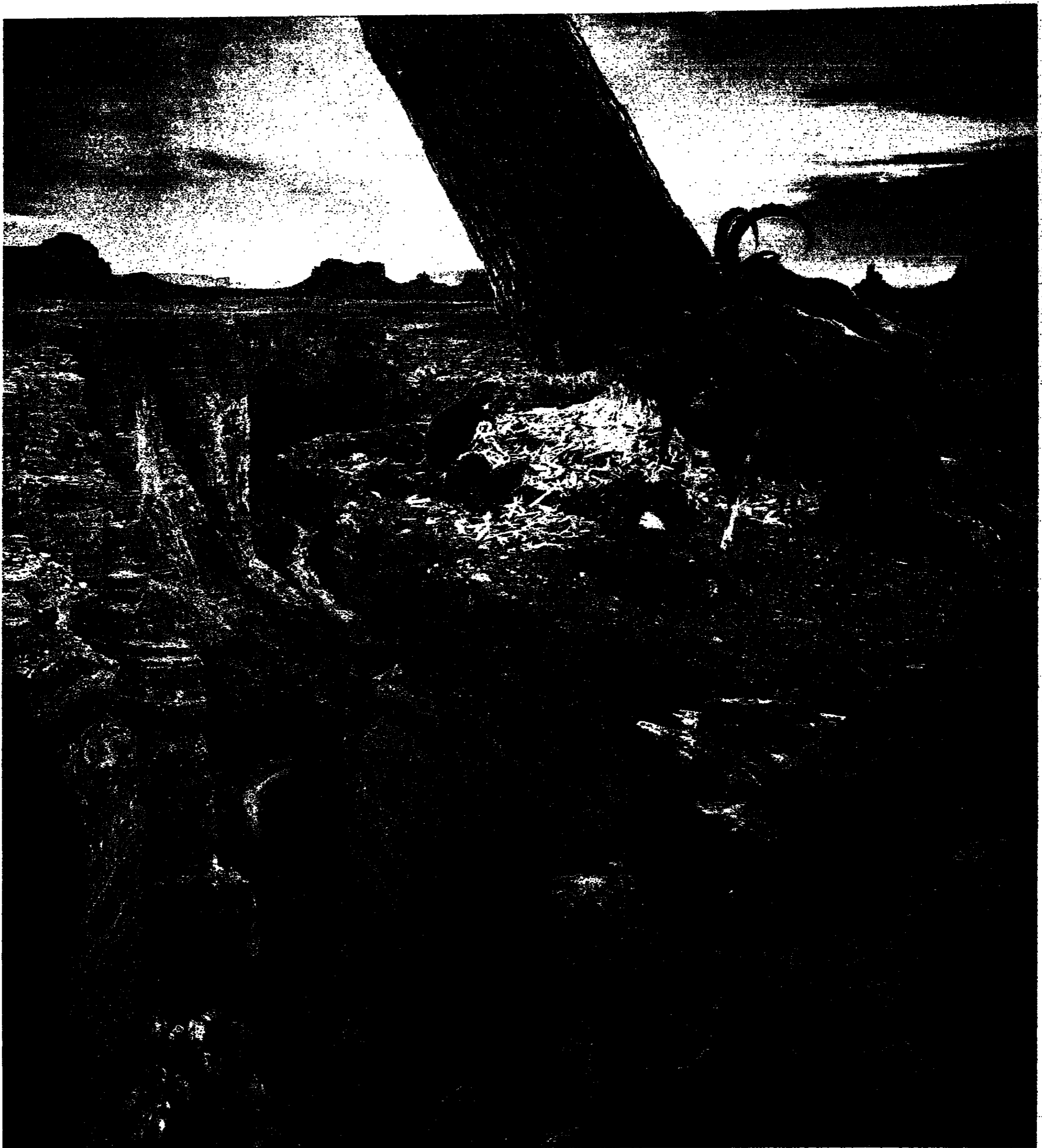
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COMPANIES AND FINANCE: THE AMERICAS

Tyco to buy AT&T undersea cable arm

By Richard Waters
in New York

Tyco International, the US industrial group, yesterday continued its spate of acquisitions with a deal to pay \$800m for the undersea cable business of AT&T.

The deal will also continue the New Hampshire-based company's push to develop servicing businesses alongside its traditional manufacturing operations.

Tyco already claims to be the biggest maker of undersea telephone cables, through its Simplex Technologies subsidiary.

AT&T has been seeking to sell the business, which has

revenues of around \$1bn, for some time, and Tyco was known to be in negotiations to buy it.

Mr John Walter, president of the telecoms company, said the disposal reflected AT&T's "aggressive effort to ensure that AT&T's portfolio includes only businesses central to our communications services strategy". It has already shed NCR, its computer company, and Lucent, its telecommunications equipment arm.

As with Lucent, the undersea cable business would find it easier to sell to AT&T's rivals if it was independent from it, Mr Walter suggested.

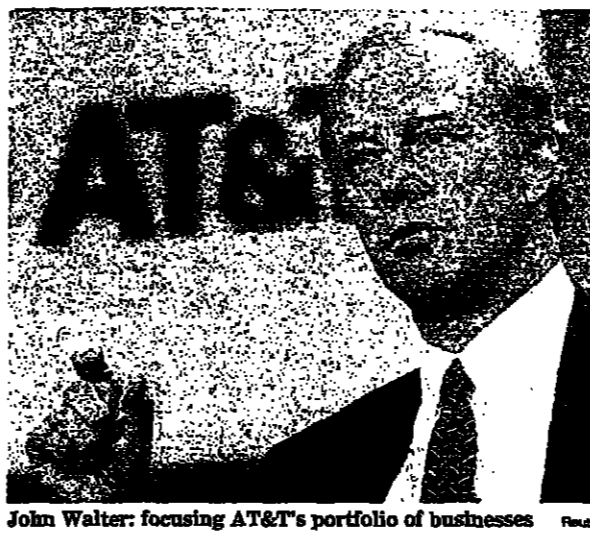
The business to be sold, AT&T Submarine Systems, is involved in all stages of the creation of undersea telephone cables, from design to installation and maintenance. It recently won two contracts to build new cables, one from south-east Asia to Europe, the other from the east coast of the US to the UK and Germany.

Tyco said it was already supplying much of the cable for these two links. The company, which is involved in a range of businesses, from fire and safety systems to disposable medical products, has set out to add servicing and maintenance activities

to its manufacturing and distribution operations.

The acquisition would make Tyco "the world's only fully integrated single source for everything from cable system design to manufacturing to installation and maintenance," said Mr Dennis Kozlowski, chairman.

The company last month agreed to pay \$4bn for ADT, the home security company, its biggest purchase to date. Fuelled by acquisitions, the company yesterday reported that after-tax profits for the third quarter of its fiscal year climbed by a third to \$107m, or 67 cents a share. Revenues grew 32 per cent, to \$1.66bn.



John Walter: focusing AT&T's portfolio of businesses

Patriot in \$1bn deal to acquire hotels chain

By Richard Waters

Patriot American Hospitality, a US real estate investment trust, yesterday announced a \$1bn purchase that will make it one of the leaders in the buoyant market for upmarket hotel rooms in the US.

The company said it had agreed to buy Wyndham Hotel, a listed company which manages the Wyndham chain of hotels, including 28 that it owns or leases directly. It also reached an agreement to buy a further 11 hotels, all of them operating under the Wyndham name, from the Trammell Crow family. The family also controls the listed management company.

Patriot agreed to issue 0.712 of a share for each Wyndham share. At Friday's closing price of \$22, the deal values the company at \$61m. Patriot said it will also take over \$150m of the company's debt. The offer values Wyndham at \$30.53 a share, a slight premium to the \$29 at which it closed on Friday.

The company said it had agreed to pay \$330m in cash for the privately-owned hotels it is buying from the family. The purchases had been widely expected, and come two months after Wyndham announced that it had appointed Smith Barney, the investment bank, to advise it on its future.

Provided its plans receive approval from the tax authorities, Patriot will be unusual among real estate investment trusts (known as REITs) in being a fully integrated hotel management company as well as a real estate group. US tax law normally restricts REITs to a narrow range of activities. However, Patriot said that, by merging its acquisitions into California Jockeys and Bay Meadows, a company it is in the process of acquiring, it would be able to expand its range of operations.

California Jockeys is one of the few US companies able to conduct non-real estate business while maintaining the tax advantages of being a REIT, Patriot said.

USA Waste agrees \$1.7bn all-stock merger

By Laurie Morse in Chicago

USA Waste Services, the acquisitive waste disposal group, is to merge with a smaller rubbish-hauling group to become the third-largest disposal company in the US.

The \$1.7bn agreed stock swap with United Waste Systems will create a group with revenues of \$3bn a year.

The deal marks a further step in the consolidation of the US waste business, as groups try to spread environmental costs over a broader business base, and to cut operating costs and overlapping services.

In the past year, USA Waste has expanded its Canadian business, buying the Canadian assets of Allied Waste (formerly Laidlaw Industries) for \$518m, as well

as the Canadian operations of WMX Technologies.

The merger will give USA Waste larger potential markets in United Waste's primary territories - smaller urban centres in New England and the upper mid-west.

Mr John Drury, USA Waste chief executive, said: "United Waste's secondary market focus complements our predominantly urban market strategy. We are particularly enthusiastic about the \$500m in acquisition opportunities United Waste has identified in and around its existing service areas."

Mr Cotton Swindell, waste industry analyst for Alex. Brown, said: "This gives USA Waste more markets. The waste-hauling business is regionalising, and each company is extending its tentacles further into less urban regions to draw business into their operations."

Both companies handle non-hazardous solid wastes, and together will serve about 3m customers in 42 states, Canada and Mexico. Assets will total \$4.5bn, and include 155 landfills and 270 collection companies.

The transaction, which is subject to shareholder and regulatory approval, would give each United Waste shareholder 1.075 shares in

USA Waste. The existing senior management team at USA Waste will remain at the top of the merged company.

USA Waste will trail industry leader WMX Technologies (which is planning to return to its old name of Waste Management) and number two Browning Ferris Industries. Mr Drury is a former president of Browning Ferris.

Repap searches for new buyers

By Bernard Simon
in Toronto

Repap Enterprises, the troubled Montreal-based paper maker, has renewed its search for buyers for operations in Canada and the US after gaining a reprieve from its lenders.

Repap's future has been uncertain since shareholders of Avenor, another Canadian pulp and paper producer, last month rejected a C\$2.6bn (US\$1.87bn) takeover bid for Repap. Their concern centred on Repap's debt, which would have left the combined company with borrowings of C\$3.4bn.

Repap said yesterday its banks had provided "additional support" that would enable it to meet interest payments due this week. The new facilities include an increase in credit lines to Repap's operations in New Brunswick, which include a coated paper mill and a pulp mill.

The group also indicated a willingness to dispose of individual assets, rather than seeking a buyer for the entire company.

Mr Stephen Larson, president, said several expressions of interest for specific businesses emerged during

last year's search for a buyer. The strategy reflected a desire among many forestry companies to focus on specific products.

"We have the support of our lenders and accordingly can take the time necessary to ensure that the best possible value is received for our shareholders," he said.

Repap produces coated paper, used for printing and writing, in New Brunswick and Wisconsin, and kraft paper, used for packaging, in Manitoba. It has a 10 per cent share of the North American coated paper market.

A troubled lumber and pulp operation in British Columbia was turned over to lenders earlier this year.

Mr John Carroll, analyst at Loewen Ondaatje McCutcheon in Toronto, said: "A lot of companies are interested in parts, but not the whole". He added that Repap "has world-class mills, but it also has world-class debt."

One US paper consultant singled out Finland's UPM-Kymmene and US-based Weyerhaeuser as possible bidders.

Repap shares gained 13 cents to 68 cents at midday in Toronto yesterday.

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Dividend payment



Koninklijke Botscheppen n.v.

At the Annual General Meeting of Shareholders held on April 14, 1997, the dividend for the financial year 1996 was fixed at NLG 1.28 for each ordinary share (par value NLG 2). As an interim dividend of NLG 0.32 was already made payable, the final dividend will be NLG 0.96.

The undersigned hereby states that payment of the final dividend of NLG 0.96 per NLG 2 share on the Bearer Depository Receipts (BDRs) issued by the undersigned will be made as from April 28, 1997 as follows:

- upon the surrender of dividend coupon no. 11: a cash dividend of NLG 0.59 per NLG 2 share, less dividend tax at 25 %;
- upon the surrender of dividend coupon no. 12: a cash dividend of NLG 0.37 per NLG 2 share or 1% in BDR's chargeable to the paid-in surplus (qualifying for the 1997 dividend).

Dividend coupons may be tendered for payment or conversion at the offices of the ABN AMRO Bank N.V., MeesPierson N.V., ING Bank N.V. and Kempen & Co. N.V. in Amsterdam, the Netherlands. Dividend coupons must bear the stamp of the office through which they are tendered. The dividend pertaining to BDR's of the CF type will be paid via the body by whom the dividend sheet was held on April 14, 1997 in accordance with the conditions of administration.

If holders of BDR's opt for the dividend of NLG 0.96 in cash, payment less dividend tax at 25% will be made upon the surrender of dividend coupons no. 11 and 12. In so far as holders of BDR's opt for the dividend of 1% in BDR's chargeable to the paid-in surplus, the surrender of dividend coupons no. 12 and relating to 100 ordinary shares will entitle the holder to receive one new BDR for one share, bearing dividend coupons numbered from 13 onwards and a talon.

If any dividend coupons no. 12 are not tendered for conversion into BDR's by June 10, 1997, the BDR's to which they relate will be sold and the net proceeds of the sale be held at the disposal of the holders of those BDR's in proportion to their holding.

Commission in accordance with the scales laid down will be paid to members of the Amsterdam Exchanges n.v. in connection with the conversion of dividend coupons no. 12 into new BDR's; this implies that holders will not incur commission charges upon conversion.

Stichting Administratiekantoor
van aandelen Koninklijke Botscheppen, Amsterdam, April 15, 1997

COMPANIES AND FINANCE: UK

UK retailer expands via purchase of US marketing group
GUS buys Direct Tech

By Christopher Price

Great Universal Stores yesterday continued its recent burst of corporate activity, buying Direct Marketing Technology, a US marketing information services group, for \$246.2m.

The deal comes just five months after the group, revitalised under the chairmanship of Lord Wolfson of Sunningdale, bought Experian, the US financial information services company, for \$1bn, and two months since it received £330m from a property joint venture with British Land.

The two co-founders of Direct Tech and other employees, whose 59 per cent holding is valued at \$131m after yesterday's deal, stand to gain a further \$62.5m if they meet performance targets over the next five years.

The senior management are to remain.

Direct Tech provides direct marketing services, particularly for the US catalogue industry, involving the management of databases to target customers with advertising mail.

Profits last year were \$15m on sales of \$65m.

Mr Eric Barnes, deputy



Lord Wolfson, who has revitalised the company

chairman of GUS, said the purchase of Direct Tech, which is strong in the retail and high technology markets, would complement Experian's position as a provider of information and

database management to the financial services and automotive sectors. Experian would be able to make use of Direct Tech's more advanced processing services, proprietary database software and

consultancy operations.

Direct Tech has a 13 per cent share of the US advertising mail market.

Mr John Peace, chief executive of CCN Experian, GUS's information services division, said: "What we might call junk mail is getting increasingly expensive, and businesses are looking for more accurate and detailed information on the people they are targeting."

The US company manages over 200 databases covering about 150m individuals.

Mr Barnes said the price being paid for Direct Tech, which included \$23.7m of debts, would be slightly earnings enhancing this year.

The historic p/e of 22 times earnings was similar to other deals done in the US direct marketing and information sector. GUS would be left with between £600m-£700m cash after the recent deals.

Analysts welcomed the Direct Tech acquisition. One said: "This is an in-fill purchase after Experian and could throw up some interesting cross-selling and revenue growth opportunities," said one.

Shares in GUS rose 7p to 633½p.

T&N raises £42m for asbestos costs

By Tim Burt

T&N yesterday announced the first of a series of disposals aimed at funding its £323m provision against future asbestos liabilities.

The engineering group - which as Turner & Newall was formerly one of the world's largest asbestos producers - has sold its Flexitallic industrial sealing businesses to Dan Loc, the US industrial components manufacturer, for \$42m (\$68m).

Sir Colin Hope, chairman, said the deal left the group well on course to meet its £70m target for disposal proceeds this year. He predicted T&N would make a £19m profit on the sale of Flexitallic, which last year contributed profits of £5m on sales of £45m.

Further non-automotive businesses of this kind will be sold off, Sir Colin added. The group plans to fund up to £150m of its asbestos provisions from selling non-core subsidiaries, while raising the remainder through improved cash generation

and working capital controls. It has rejected approaches, however, for the growing powder metallurgy businesses and the Ferodo friction products group in the US. Analysts believe UK rivals GKN and BBA have made informal overtures about buying them. Both declined to comment.

The disposal programme follows T&N's announcement last November of an innovative insurance scheme aimed at capping all future liabilities.

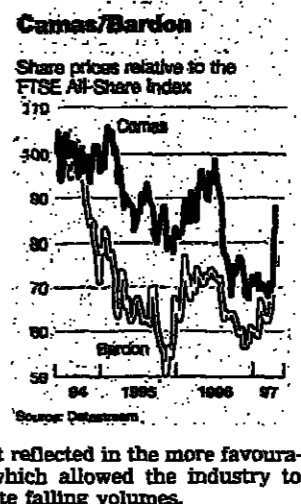
In a bid to draw a line under its asbestos legacy, T&N last month announced a £515m charge against annual profits to meet future personal injury claims and insurance costs.

● In a separate development, T&N welcomed the decision by the Berlin cartel office to approve the acquisition of a 26 per cent stake in Kolbenschmidt, the German pistons manufacturer, by Rheinmetall, the industrial conglomerate. T&N has options over 24.59 per cent of Kolbenschmidt.

LEX COMMENT

Camas/Bardon

Welcome to the slim, trim UK building materials sector. Yesterday's merger between Bardon and Camas was simply the latest step in a round of consolidation which has restored to health one of the worst performers of recent years. Domestic recession and cuts in government spending played a role. But there were also self-inflicted wounds, in the form of suicidal price competition. Following five other deals last year among large quarry companies, the industry now



looks very different - a fact reflected in the more favourable pricing environment which allowed the industry to raise prices last year despite falling volumes.

Not only is the industry in better shape, the aggregate cycle has also turned. Government road spending looks to have bottomed, private finance initiative projects are starting to come through, and there is considerable strength in the property market. This backdrop should ensure 2-3 per cent volume growth this year and next, underpinning further price increases. With the political climate to new quarrying permits also hostile, there is little prospect of disruptive competition from new entrants.

All of this makes for an encouraging investment outlook. Discrimination, of course, is necessary. Stocks like RMC, Redland and Pilkington, with heavy exposure to continental Europe, still face difficult markets. But those with a strong Anglo-American focus, such as the newly formed Aggregate Industries, look set for a good run.

Proudfoot loses \$66m on sale

By Roger Taylor

Proudfoot, the UK management consultancy is selling Philip Crosby Associates, the quality management company it bought for \$67m eight years ago, for less than \$1m.

Mr Philip Crosby, a leading proponent of the Quality Management business philosophy is buying back the company he founded for "a nominal sum".

Proudfoot bought Philip Crosby Associates, which advised managers on how to avoid defects in processes and products, in 1989 as one of a number of disastrous acquisitions which resulted in a collapse in profits.

Mr Malcolm Hughes, chief executive said: "Up until 1982, the Quality Management business went very well. Multinationals were splashing out millions getting on the quality bandwagon. Then there was a precipitous drop in revenues."

When Proudfoot bought Philip Crosby Associates, it was making profits of more than \$6m. Following a £1.7m

reorganisation, losses for last year were £300,000, down from £1.7m.

Mr Hughes said: "It does cause comment when management consultants make a mess of their own business, and as a quoted company, Proudfoot has had to go through painful changes under the public gaze."

The last six years have seen Proudfoot's profits collapse from more than \$50m to yesterday's announcement of \$4.6m before tax and exceptional losses for 1996. After writing off £37m on the sale of Philip Crosby Associates, the company made a loss of \$33.2m. Its shares closed up 1½p at 13½p yesterday, compared with 410½p in 1991.

Quality Management was one of the most fashionable business theories of the last decade. At its height, Philip Crosby Associates advised 200 of the Fortune 500 largest US companies.

Mr Hughes said the worst was over. Proudfoot now consists only of the core management consultancy which achieved operating profits of \$5.6m last year on turnover of £52m.

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Notice of Early Redemption



Notice to the holders of
£22,000,000

Subordinated Floating Rate Notes due 2002
(the "Notes")

Notice is hereby given in accordance with Condition 4(c) of the Terms and Conditions of the Notes that the Society has elected to redeem all the outstanding Notes on June 5, 1997 (the "Redemption Date") at par, plus accrued interest.

Payment of Principal and Interest, will be made against presentation and surrender of the Notes at the specified office of the Principal Paying Agent or, at the option of the holders, at any specified office of any of the Paying Agents listed below. Notes should be presented for payment together with all unexpired Coupons relating thereto. Notes and Coupons will become void unless presented for payment within periods of twelve years and six years respectively from June 5, 1997 the Redemption Date, as defined in Condition 5 of the Terms and Conditions of the Notes.

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April 15, 1997

Notice to Bondholders

Nan Ya Plastics Corporation ("Nan Ya")
(Incorporated in Taiwan, Republic of China)

US\$ 350,000,000

1 3/4 per cent. Convertible Bonds Due 2001

Formosa Chemical & Fibre Corporation
("FCFC")

(Incorporated in Taiwan, Republic of China)

US\$ 250,000,000

1 3/4 per cent. Convertible Bonds Due 2001

(Collectively, the "Companies")

This notice is to inform Bondholders that each of the Companies, pursuant to the laws of R.O.C. and the terms and conditions in the Offering Circular and Indenture, will close their stock transfer books and suspend the Bondholders' Conversion Rights during the periods specified as below due to the Companies' Annual general meetings of shareholders:

Nan Ya Plastics Corp. on and from 21 April 1997 to 29 May 1997
Formosa Chemical & Fibre Corp. on and from 29 April 1997 to 29 May 1997
Information regarding the exact Conversion Dates, the applicable Conversion Prices, and the approximate dates for investors to receive common shares in exchange for Entitlement Certificates will be published in due course after determined in the shareholder meetings.
Bondholders should also consult terms and conditions in the Offering Circular and Indenture for more details of the conversion.

Nan Ya Plastics Corporation
Formosa Chemical & Fibre Corporation
By: Citibank, N.A.
as Principal Conversion Agent

Dated: April 11, 1997

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LONDON SHARE SERVICE

INVESTMENT TRUSTS - CONT.

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1997年12月

This image shows a page from an ancient manuscript, featuring dense, handwritten text in a cursive script, likely Arabic or Persian. The text is arranged in two columns, with the right column being slightly longer. The ink is dark, and the parchment appears aged and slightly discolored. The handwriting is very close together, filling most of the page area.

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